

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re:	:	
	:	
VIP PHARMACY, INC.	:	Chapter 11
	:	
<i>Debtor.</i>	:	Bankruptcy No. 21-10428(ELF)
	:	

**VERIFIED STATEMENT OF PAUL J. WINTERHALTER IN SUPPORT
OF THE APPLICATION OF THE DEBTOR PURSUANT TO 11 U.S.C. §327(a)
FOR AUTHORITY TO EMPLOY OFFIT KURMAN, P.C.
AS COUNSEL FOR THE DEBTOR**

I, Paul J. Winterhalter, hereby submit this verified statement (the “Verified Statement”) in support of the application of VIP Pharmacy, Inc. (the “Debtor”) for entry of an order authorizing and approving the employment and retention of the Offit Kurman, P.C. (“Offit Kurman”) as counsel for the Debtor pursuant to Section 327(a) of Title 11 of the United States Code (the “Bankruptcy Code”).

1. The information contained in this Verified Statement is true and correct to the best of my knowledge and belief.

2. I am an attorney-at-law, duly admitted to practice law in the Commonwealth of Pennsylvania and in this Court, and I am a principal attorney at Offit Kurman, with offices at 401 Plymouth Road, Suite 100, Plymouth Meeting, PA 191462.

3. Unless otherwise stated in this Verified Statement, I have personal knowledge of the facts hereinafter set forth. To the extent that any information disclosed herein requires amendment or modification upon the completion of further analysis, a supplemental verified statement will be submitted to the Court reflecting the same.

4. Neither Offit Kurman, nor any attorney employed by the firm, has received any promises of compensation in connection with this case other than as set forth herein and in accordance with the provisions of the Bankruptcy Code. Offit Kurman has not shared, nor agreed to share, any compensation it has received or may receive with another party or person, other than with the attorneys of Offit Kurman.

5. Prior to the filing of this Chapter 11 case, on March 7, 2019, the Debtor did initially engage Offit Kurman, P.A. to provide pre-bankruptcy counseling. The professional representation was expanded to include the defense of pending litigation captioned *H.D. Smith, LLC v. VIP Pharmacy, Inc., Court of Common Pleas of Bucks County, No. 2019-02188*. In connection with this pre-petition legal representation VIP Pharmacy, Inc. did pay monthly invoices for services rendered to the Firm in the aggregate amount of \$16,025 between February 1, 2020 and February 23, 2021. The last payment of which was received on February 16, 2021 in the amount of \$600. A summary schedule of invoices and payments made by VIP Pharmacy, Inc. to the Firm is appended to this Verified Statement as **Exhibit 1**. An analysis of these payments reflects that each payment was made shortly following the issuance of the invoice and consistent with ordinary business practices between the Debtor and the Firm. As a consequence counsel does not believe there are any preferential payments made to Offit Kurman, P.A.

6. The March 7, 2019 engagement with Offit Kurman was contemplated to potentially involve filing separate Chapter 11 Bankruptcy proceedings for each of then five separate, but related, corporate entities. On February 16, 2021, VIP Pharmacy, Inc. arranged to pay the Firm a retainer of \$21,717.00. \$600 of this sum was used to satisfy the invoice of Offit Kurman dated February 4, 2021 and the balance of funds shall be applied in anticipation of work which will be performed in conjunction with the filing of a Chapter 11 bankruptcy for VIP

Pharmacy, Inc. It is contemplated that \$1,717.00 of these sums will be used for the Chapter 11 filing fee for the bankruptcy case filing of VIP Pharmacy, Inc.

7. Offit Kurman fully expects that the professional services rendered by the law firm in connection with the Debtor's Chapter 11 case will exceed the retainer paid by the Debtor and the Firm will be obligated to file fee applications with the Bankruptcy Court consistent with 11 U.S.C. §§330 and 331. All legal services rendered by Offit Kurman is and will be subject to application and notice to the Court and creditors, and the approval by the Court before payments may be made to the Firm for these legal services. Payments of additional fees once approved by the Bankruptcy Court shall be made from the Debtor's business operating revenues.

8. The present standard hourly billing rates of the attorneys and para-professionals that have, and that Offit Kurman anticipates will continue to, provide legal service to the Debtors are as follows:

Paul J. Winterhalter, Attorney	\$400.00
Rachael E. Covington, Paralegal	\$175.00

9. Consistent with the Engagement Letter with VIP Pharmacy, Inc., Offit Kurman will continue to charge the Debtor for all expenses provided or advanced and for all other charges and disbursements including, among other things, telephone charges, photocopying, travel, computerized research, couriers, postage, witness fees and other fees relating to trials and hearings.

10. Consistent with 11 U.S.C. §327(a) neither the undersigned, nor any attorney employed by Offit Kurman, represents an interest adverse to the Debtor or the bankruptcy estate in matters upon which Offit Kurman is engaged or to be engaged. Offit Kurman, P.C. is a full-service law firm consisting of approximately 240 lawyers with offices located in eight states and

the District of Columbia. The Law Firm did perform an electronic conflicts checks of all creditors identified by the Debtor and such search did not reveal a material conflict with any particular creditor.

11. Except as set forth herein, to the best of the knowledge, information, and belief of your undersigned, neither the undersigned, nor any attorney employed by Offit Kurman, has any connection with any party in interest, the respective attorneys, or accountants, the United States Trustee, or any person employed in the Office of the United States Trustee.

12. Based on the foregoing, it is respectfully presented that Paul J. Winterhalter, Esquire and Offit Kurman are disinterested person(s) to the Debtor as required under 11 U.S.C. §327(a) and as defined under 11 U.S.C. §101(14). Mr. Winterhalter, nor any attorney of the Law Firm, is a creditor, equity security holder, or insider of VIP Pharmacy, Inc., is not a director, officer, or employee of VIP Pharmacy, Inc., and does not have or hold an interest materially adverse to VIP Pharmacy, Inc., its bankruptcy estate, or any of its creditors.

13. Accordingly, I submit that Offit Kurman, P.C. has complied with Federal Rule of Bankruptcy Procedure 2014 and shall be filing and agrees to comply with all obligations as counsel for the Debtors mandated pursuant to 11 U.S.C. §329 and B.R. 2016(b).

Respectfully submitted,

OFFIT KURMAN, P.C.

By: 
PAUL J. WINTERHALTER
401 Plymouth Road, Suite 100
Plymouth Meeting, PA 19462
Telephone: (267) 338-1370
Facsimile: (256) 338-1335
E-mail: pwinterhalter@offitkurman.com

*Proposed Counsel for the
Debtor in Possession, VIP Pharmacy, Inc.*

Dated: February 25, 2021

Subscribed and sworn to me this

25 day of February, 2021,

by Paul J. Winterhalter.


Notary Public

Commonwealth of Pennsylvania - Notary Seal Laurie A. Torres, Notary Public Bucks County My commission expires October 23, 2024 Commission number 1384778 Member, Pennsylvania Association of Notaries
--

EXHIBIT 1

03920060.00001- VIP Pharmacy, Inc./Financial Restructuring-5 Independent Pharmacies

Billing:

Bill #	Status	Bill Date	Total Billed	Fees	Costs	Paid	A/R Balance	Last Payment Date	Last Payment Amount
759586	Settled	2/11/2020	\$240.00	\$240.00	\$0.00	\$240.00	\$0.00	5/5/2020	\$240.00
772358	Settled	4/7/2020	\$800.00	\$800.00	\$0.00	\$800.00	\$0.00	5/5/2020	\$800.00
779361	Settled	5/6/2020	\$680.00	\$680.00	\$0.00	\$680.00	\$0.00	7/20/2020	\$680.00
786600	Settled	6/4/2020	\$6,035.00	\$6,035.00	\$0.00	\$6,035.00	\$0.00	7/20/2020	\$6,035.00
794859	Settled	7/8/2020	\$2,695.00	\$2,695.00	\$0.00	\$2,695.00	\$0.00	9/14/2020	\$2,695.00
801455	Settled	8/6/2020	\$1,560.00	\$1,560.00	\$0.00	\$1,560.00	\$0.00	9/14/2020	\$1,560.00
809750	Settled	9/8/2020	\$360.00	\$360.00	\$0.00	\$360.00	\$0.00	11/19/2020	\$360.00
816727	Settled	10/5/2020	\$1,955.00	\$1,955.00	\$0.00	\$1,955.00	\$0.00	11/19/2020	\$1,955.00
824370	Settled	11/5/2020	\$760.00	\$760.00	\$0.00	\$760.00	\$0.00	2/2/2021	\$760.00
832347	Settled	12/4/2020	\$80.00	\$80.00	\$0.00	\$80.00	\$0.00	2/2/2021	\$80.00
840152	Settled	1/7/2021	\$260.00	\$260.00	\$0.00	\$260.00	\$0.00	2/2/2021	\$260.00
848149	Settled	2/4/2021	\$600.00	\$600.00	\$0.00	\$600.00	\$0.00	2/16/2021	\$600.00
			\$16,025.00			\$16,025.00	\$0.00		

Payments:

Date	Payor	Check #	Amount
2/12/2020	VIP Pharmacy, Inc.	wire	\$4,891.00
5/5/2020	VIP Pharmacy, Inc.	WIRE	\$1,040.00
7/20/2020	VIP Pharmacy, Inc.	WIRE	\$6,715.00
9/14/2020	VIP Pharmacy, Inc.	WIRE	\$4,255.00
11/19/2020	VIP Pharmacy, Inc.	Wire	\$2,315.00
2/2/2021	VIP Pharmacy, Inc.	WIRE	\$1,100.00
2/12/2021	VIP Pharmacy, Inc.	WIRE	\$21,738.00
			\$42,054.00